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Mexico Updates Support Program for Corn-Dough (Nixtamal)

Report Categories:

Agriculture in the Economy

Food Processing Ingredients Sector

Grain and Feed

National Plan

Policy and Program Announcements

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Report Highlights:

On April 26, 2011, Mexico's Secretariat of Economy (SE) announced the fiscal year (January to December) 2011 [operational guidelines](#) for how support will be provided to the corn flour (*nixtamal*) milling industry through the PROMASA program. The Government of Mexico (GOM) will support the manufacture of up to 300,000 metric tons (MT) of *nixtamal* dough. The announcement is a routine update of the existing PROMASA operational guidelines (see 2010 GAIN report [MX0049](#) *Mexico Announces Support for Corn-Dough*).

General Information:

Introduction: This report summarizes the operational guidelines of the Support Program for the *Nixtamal* Milling Industry published in Mexico's Federal Register (*Diario Oficial*) on April 26, 2011. (*Nixtamal* is ground corn cooked with limestone. After cooking, the corn is milled into flour for making dough for tortillas).

Disclaimer: This summary is based on a cursory review of the subject announcements and therefore should not, under any circumstances, be viewed as a definitive reading of the regulations in question, or of its implications for U.S. agricultural export trade interests. In the event of discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

Title of the Announcement: Criteria for the Operation of the *Nixtamal* Milling Industry Support Program (PROMASA) under the Guidelines of the Industry Competitiveness Promotion Program (PROIND) for fiscal year 2011

Type of Regulation: Operational

Important Dates:

1. **Publication Date:** April 26, 2011
2. **Effective Date:** April 27, 2011

Eligible Commodities: Corn-dough, made from *nixtamal*, to make tortillas

Reason for Program: According to this announcement, PROMASA is part of PROIND, which is the GOM strategy to promote the competitiveness of various industrial sectors. Specifically, SE referenced the following factors in its decision to implement the 2011 PROMASA program.

- The GOM has undertaken various measures to ensure an adequate tortilla supply for the Mexican population. Therefore, it is necessary to continue implementing measures to maintain this trend.
- The *nixtamal* milling industry has a significant impact on employment generation and in the production of a vital commodity for Mexican families.
- PROMASA is part of a strategy designed to boost the competitiveness of the industrial corn/*nixtamal* sector this fiscal year.
- PROMASA contributes to the formalization of the *nixtamal* milling industry.

Program Objectives: According to the announcement, the main objectives of PROMASA are to maintain the production of corn tortillas by the corn/*nixtamal* industry, to mitigate the impact of increased raw materials prices, and to contribute to the formalization of the *nixtamal* milling industry.

Program Features: In order to achieve the general objectives of the PROMASA program, SE will provide support for the production of up to 300,000 MT of *nixtamal* dough. The support per kilogram of *nixtamal* dough for tortillas will be determined as follows:

Support of 0.60 pesos per kilogram of *nixtamal* dough, to small and medium enterprises,
Support of 0.50 pesos per kilogram of *nixtamal* dough, to low-income consumers (REPECO)

PROMASA grants these supports understanding that every kilogram of corn produces 1.8 kilograms of *nixtamal* dough and requires 0.0035 liters of gas and 0.040 kilowatt hours of electricity.

Under PROIND, the relevant category and maximum amount of a support request are:

Category	Subcategory	Maximum Amount of Support	Consideration
PRODUCTION	Manufacture of materials for the production of consumer goods	4,000,000 pesos	For Application Support

Current Exchange Rate: U.S. \$1.00 = 11.94 pesos.

For More Information

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work
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Report Number	Subject	Date Submitted
MX1035	Mexico Revises NOM-013 After Finding Rice Kernel Smut	5/02/2011
MX1033	Grain and Feed April Update	4/29/2011
MX1032	Sustainable Modernization of Traditional Agriculture... MasAgro	4/27/2011
MX1017	Grain and Feed Annual	3/14/2011
MX1012	Hard Freeze Damages Sinaloa Corn and Produce	2/11/2011
MX1006	January Update for Corn and Rice	1/28/2011
MX0094	Tortilla Price Crisis... To Be Determined	12/15/2010

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, equivalent to the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.